CRITICAL FACTORS TO ATTRACT HOTEL INVESTMENT

WORLD TRAVEL & TOURISM COUNCIL

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INTRODUCTION

The COVID-19 pandemic devastated the Travel & Tourism sector, leading to a GDP loss of nearly USD 4.9 trillion and 62 million job losses in 2020. Meanwhile, capital investment in Travel & Tourism also fell substantially from USD 1.07 trillion in 2019 to USD 805 billion, representing a 24.6% drop. 2021 saw a further 6.9% decline in the sector's investment to reach USD 750 billion. Investment in hotels represents a key component of overall investment and the development of the broader Travel & Tourism sector.

As the sector begins to recover, it will be essential to attract sufficient capital investment to enable its full growth potential. While the World Travel & Tourism Council's (WTTC) projections point to a strong growth in Travel & Tourism investment over the next decade – with an expected global average annual growth of 6.9% — governments can support this by creating an enabling environment that will attract more investment into Travel & Tourism related assets including hotels. Governments will be competing with those of other countries to attract some of these investors, and therefore those with the most attractive policies will be more successful.

In addition to clear, open and consistent government action and support – which has proven to be paramount during the pandemic – a well-established rule of law, political stability, favourable tax incentives, the free movement of currency, sufficient liquidity and access to capital markets remain prerequisites to attract hotel investments. Safety & security with regards to issues such as crime and the threat of terror attacks and natural disasters are also important considerations for investors.

As we build back better, sustainability and inclusion must be at the heart of a more resilient and competitive Travel & Tourism sector. As such, future investment needs to benefit destinations not only economically but also socially and environmentally. Destinations with a clear commitment and plan to reach net zero emissions and those which take a holistic approach to destination planning by integrating socio-economic and environmental elements will be ahead of the game in attracting investment.

This paper looks at the key enabling factors for hotel investment; these include governance and the rule of law, taxation, liquidity, physical infrastructure and connectivity, destination planning and sustainability, service culture, government aid, and upskilling the workforce. It also showcases countries that have employed these enabling factors and shown strong growth in investment, drawing on data from hotel analytics company STR (hotel room supply) and WTTC's economic impact research (Travel & Tourism capital investment).

The goal of this report is to equip the sector with a wealth of insights that will in turn enable both the public and private sector to learn from the successful experiences of other destinations as they develop, review and implement Travel & Tourism related investment strategies and policies.

'Sufficient liquidity and access to capital markets alongside political stability are key to attract any hotel investment.'

-Gilda Perez-Alvarado, Global CEO, JLL Hotels & Hospitality

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GOVERNANCE AND THE RULE OF LAW

Governance is a key enabler, or deterrent, for investors as it determines how easily and successfully a business may operate. Destinations offering minimal commercial risks or regulatory barriers as well as a stable government and economy provide fertile ground for hotel development and expansion. While the destination's appeal and the location of the hotel are paramount, it is equally important that the legal processes for doing business are clear, fair and free from excessive bureaucracy. In a country with an effective rule of law, public institutions tend to be more accountable, leading to more legal certainty, less corruption, and better opportunities for any business to develop.

Netherlands

Not only does the Netherlands enjoy a stable economy and government, it also consistently appears in global top 10 rankings where nations are compared for their legal structure and good governance. For example, in the World Economic Forum (WEF)'s survey-based 2019 Travel & Tourism Competitiveness Report, the legal system is seen as efficient at enabling private businesses to challenge regulations and government actions, and to settle disputes[1]. As such, the country is seen as having one of the least corrupt public sectors and a government that ensures a stable policy environment for business. The Netherlands also ranked third globally on how independent the judicial system is from influences of the government, individuals and companies in another WEF report[2]. It also came fifth globally in the World Justice Project's 2020 Rule of Law Index, based on indicators such as open government, absence of corruption, and regulatory enforcement[3].

The governance of the Netherlands is framed by its Constitution[4], which clearly lists the legal rights and freedoms that Dutch citizens can expect and the legal processes that keep the government in check. In 2016, the government published a Code of Conduct for Integrity[5] for the government and its civil servants. Strict laws are in place to penalise corruption by public officials or private individuals commercially, and in 2015, the maximum sentence for most bribery cases involving public officials increased from two or four years to six years in prison.

The country also provides an enabling environment for foreign investment with less restrictive regulations than in many other countries. Domestic and foreign companies are treated equally under Dutch law, for example in the ability to start a business and regarding health and safety and environmental regulations.

These combined factors give confidence to investors and have helped to see the supply of hotel rooms in the period 2012 to 2019 grow by an annual average of 2.5%; a faster rate than in most other European countries. In fact, growth in Travel & Tourism capital investment as a whole in the Netherlands during that period was the sixth fastest worldwide – at an average rate of 18.9% per annum (pa).

LIQUIDITY

Sufficiently high liquidity in the market is a prerequisite for investment. A highly liquid market, which arises when there is a significant level of trading activity and when there is both high supply and demand for an asset, is generally associated with less risk. This in turn contributes to favourable market conditions and can therefore attract more investors to the destination. Governments have a potential to create a more liberal, business-enabling environment to stimulate market activity and attract foreign investors. Once foreign investment comes, more will follow, but it is critical for governments to put incentives in place to kickstart this cycle. These will then lead into more trading and result in more liquidity.

Maldives

Travel & Tourism is a vital sector for the economy of these islands, accounting for more than half the Maldives' GDP and employment before the COVID-19 pandemic. Attracting foreign direct tourism investment has therefore been a key goal of the government. However, this has required a shift towards more pro-market policies because potential investors had previously viewed it as a destination with low liquidity. The Government's 2013 Tourism Masterplan acknowledged that the sector was faced with challenges such as the Maldives' modest cash flows, its banks' restrictive debt ceilings, an unclear island tender process that made it difficult to accurately underwrite an investment, and a general lack of clarity in Maldivian business laws, as well as undelivered infrastructure[6].

Over the past decade, the government has successfully created a more liberal, business-enabling environment by implementing a series of measures. For example, there are now no restrictions on repatriation of profits and capital proceeds or on foreign exchange, some land leases now last as long as 99 years, and 'the formalities and processes for registration and operations of foreign investments have been streamlined through changes in laws and regulations, and well-defined procedures, designed to offer clarity, security, convenience and speed for investors looking at investing in the Maldives'[7].

Several incentives were brought in as part of the government's Special Economic Zones Act of 2014[8], which specified that investors in hotels and tourism real estate in one of these zones would be guaranteed relaxed rules to bring and recruit expats for employment as well as exemptions from various taxes for the first two years.

Overall, these factors helped strengthen liquidity within the islands. Furthermore, an expansion of the international airport and of the number of airlines operating flights to the country, as well as a policy to encourage the development of mid-market properties in order to diversify the accommodation offering, brought more confidence to potential investors.

As a result, between 2012 and 2019, overall Travel & Tourism capital investment in the Maldives grew by 20.2% every year on average; the third fastest growth of any country worldwide.

Hotel room supply grew by an average, and still impressive, 4.5% per year during the same period, and by 11.7% in 2019 alone.

GOVERNMENT AID

With most Travel & Tourism companies – as well as tourism boards and countries as a whole –suffering due to the loss of visitors during the COVID-19 pandemic, additional support and financial aid from government has been critical for the survival of businesses. Those governments that did acknowledge the precarious situation the sector was in and offered aid through measures such as financial grants, supplements, loans, and tax reductions helped Travel & Tourism to bounce back sooner and encourage the return of investment. However, this is nothing new. Long before COVID-19 struck, investors were attracted to certain destinations due to the significant financial incentives provided by governments.

Saudi Arabia

Saudi Arabia has made major strides in recent years to re-invent its position as a Travel & Tourism destination as part of its goal to reduce its dependence on oil and diversify its economy. One of the cornerstones of the nation's strategic framework *Vision2030* is to create an attractive environment that increases local and international private sector investments[9]. Stimulating investment in tourism infrastructure, such as hotels and other accommodation, is seen as a crucial element.

To aid this, the government launched the Tourism Development Fund (TDF) in 2020, backed by USD 4 billion in capital[10]. One of the Fund's key objectives is to enable investments by providing financial support and incentives, as well as giving access to support services, licences and promotion via the Saudi Tourism Authority. The TDF grants investment loans, owns shares of, and provides guarantees on projects that meet the goals of the National Tourism Strategy.

The TDF also collaborated with Riyad Bank to launch the 'Tourism Partners' program'[11] in 2021, with a financing value of SAR 2 billion (USD 533.3 million) and an aim to provide loans and guarantees to enable the development of accommodation and other projects in seven tourist destinations. The Fund will continue to play an essential role in attracting new and innovative hotel investments while incentivising further developments of pre-existing hotels.

In the year from the TDF's launch to September 2021, private sector investments totalled more than USD 1 billion, with more than 235 private investors collaborating on projects linked to the Fund[12]. These include accommodation development, leading to a projected additional 3,500 rooms by 2024. As of March 2022, 30,000 hotel rooms are under development in Saudi Arabia, as the country readies itself to receive an influx of travellers. The recent boost to hotel investment is clear, as evidenced in the huge 4.1% average annual growth rate in hotel rooms from 2012 to 2019, mirrored in the impressive 5.6% average growth in overall Travel & Tourism capital investment during that period. Although the Kingdom is only in the emerging stage of attracting foreign direct investment, international companies such as Accor, Hilton, IHG, Marriott and Radisson have in the past year opened new hotels or signed agreements to open them within the next four years.

TAXATION

Hotel businesses can face many tax barriers that dissuade them from investing in certain countries. These range from corporate income tax and capital gains tax to real estate transfer tax and VAT. For example, as corporate income tax rates are at least 25%[13] in most countries, it is no surprise that taxation policy will be a significant factor in which country an investor decides to prioritise. Governments that proactively encourage Foreign Direct Investment (FDI) by lowering tax rates for hotels or other tourism service providers are likely to be richly rewarded with additional income from hospitality companies and their guests whilst benefitting local communities. Investors will also be more likely to choose a country with lower taxes on dividends and profits, where a bilateral treaty is in place to avoid double taxation across two countries, and where the tax regime is fair and easy to understand.

Colombia

Colombia has been extremely successful in changing its image during the 21st century. Stong public relations and branding have helped the international community understand the country's new reality as a safer, welcoming, culturally rich destination with unique biodiversity. Although this played a significant role in attracting overseas tourism investment, just as important was the government's creation of an enabling business environment.

In particular, it has implemented several tax reforms throughout the past two decades to lure worldwide investors in the hotel industry. For instance, regulations in 2003[14] exempted hotels built between then and 2016 from paying any corporate tax for 30 years.

Although this benefit was withdrawn in 2016, the government has more recently introduced other, albeit more modest, tax incentives[15] such as a change in the income tax rate. This (currently 30%) has been reduced to 9% for services offered by new hotels, and for hotel renovation and/or expansion, provided that the amount invested is at least 50% of the property's purchase price[16]. This lower rate applies for ten years – as it also does for new theme parks, ecotourism, agrotourism, and marina projects – and for 20 years for those hotels built in municipalities with fewer than 200,000 inhabitants. Foreign investors who decide to start or continue their business in Colombia have also been entitled to a 50% discount on the country's Industry and Commerce tax (ICA)[17].

These measures have helped to entice new development from international players such as Accor, Hyatt, IHG and Marriott. In the year to January 2020, for instance, Hilton opened two hotels in Bogota; one with 410 rooms[18] and one with 199 rooms[19]. Furthermore, between 2012 and 2019, Colombia saw one of the highest hotel supply growth rates in Latin America – on average 3.2% per year – and in 2018-19 alone, around 6,400 new rooms were built across several cities[20].

PHYSICAL INFRASTRUCTURE; AIR AND GROUND CONNECTIVITY

Cities, or countries, that are well-served by a multitude of flight routes from diverse countries and continents present great potential for hotel investors. A well-connected hub airport helps to support wider regional development, as those networks support the linkages a country has with the rest of the world and destinations become more accessible. Some of the most successful of these feature mega-hub airports that are the base for successful long-haul airlines. However, the city, and country, where the hub airport is based will only gain limited benefit from its vast connectivity if most passengers only use it as a transit stop between long-haul flights and do not leave the airport. Hotel investors tend to prefer hub cities that are, or are becoming, destinations in their own right.

Ground connectivity, such as a fast and efficient rail or metro service within a country, is also an increasingly important factor for investors as this expands access within the destination and to less visited places that offer tourism opportunities.

What's more, the acceleration of trends in the COVID-19 pandemic has led to a growth in both domestic tourism and a desire for visitors to avoid crowded urban centres and spend their vacations in smaller towns, beach resorts and rural locations. Good ground and air connectivity enable both international travellers and residents to explore more of a destination and spend more there, making it a far more attractive investment.

> *"Prior to COVID-19, travelling to remote destinations was a growing trend from a consumer perspective, with small boutique hotels and accommodation in these destinations perceived as being attractive investment opportunities. As travel restrictions ease around the world, we believe that these trends will continue to grow."*
>
> -Steven Siegel, Chief Operating Officer of KSL Capital Partners

United Arab Emirates

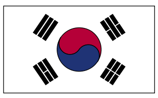
Hotel development has been a consistent driving force in the growth of Travel & Tourism in the United Arab Emirates (UAE) throughout the 21st century. It is one of the world's top 20 countries for the growth of its room supply between 2012 and 2019 (5.7% per year

on average). Much of this development is in Dubai, which saw the opening of the world's tallest hotel building, the Gevora, in 2018[21], and where the even taller Ciel Tower hotel is due to open in 2023[22].

Continual hotel construction has been driven by demand from ever-growing numbers of international visitors, which stems primarily from the success of its principal airports, in Dubai and Abu Dhabi, and national carriers Emirates and Etihad. Dubai International was the 11th fastest growing hub airport globally in the decade to 2019, with connectivity increasing by 251%[23]. This was partly driven by arrivals of increasingly affluent citizens from key source markets including India, China, and Saudi Arabia. Abu Dhabi has also seen remarkable growth in flight connectivity during the 21st century. Between 2007 and 2017, it was the world's fastest growing hub, up by 1,500%[24], although this is due to the rapid expansion of flag carrier Etihad, which only began operations in 2003.

For most international travellers, Dubai and Abu Dhabi were previously used only as transfer points for onward long-haul flights. However, both cities have, in recent years, transformed their product into appealing destinations in their own right. Dubai, for example, has successfully positioned itself as a global shopping, entertainment, and activity-rich destination. In 2018, the UAE government gave a further enticement for transit passengers to stay over in the city by introducing free transit visas for visitors staying for up to 48 hours[25]. By 2019, a record high of nearly 17 million international visitors stayed in the city[26].

The strategy to encourage stopovers, following the success of air connectivity into the two major hubs, has attracted significant investment in the cities as more travellers explore these hubs. This has also been aided by significant government investment and the fact that the owners of Emirates airline also own Dubai Airport and govern its regional aviation policy. Emirates provides additional consolidation, having invested in hotels, adventure travel agencies and tourist attractions. This central control has allowed Dubai to create the linkages and complex network systems between aviation, attractions, accommodation and public transport systems that help plan the longer-term development of an all-round tourism product. This also encourages foreign investment. All these enabling factors have boosted Travel & Tourism investment, which grew by an average 7.3% pa between 2012 and 2019, and hotel supply not far behind, with a strong average annual growth of 5.7% during the same period.



South Korea

South Korea is a shining example of successful ground transport connectivity, ranking as one of the world's best countries for its provision of efficient transport services and road and rail infrastructure[27].

Following the success of the Shinkansen bullet train network in neighbouring Japan, South Korea's Korail opened its inaugural high-speed rail line (the *Gyeongbu*) in 2004, which links Seoul with the country's second largest city, Busan, 418km away[28]. Since then, one of the key goals of the Ministry of

Land, Infrastructure and Transport (MOLIT)[29] has been to develop its network of KTX (Korea Train Express) trains to enable people to connect to all major cities within two hours. Since 2010, several new high-speed lines have been constructed and extended to link cities in varied parts of the country.

Specified goals of MOLIT also include promoting state and private-funded construction projects of expressways and national highways and improving the flow on them. Several expressways have also been created and extended in the past decade.

The announcement of Pyeongchang as the 2018 Winter Olympics venue incentivised investment in transport infrastructure. This was a key development, as it was the only Korean region not linked to the country's high-speed rail network. A 114km line was built between Seoul and coastal Gangneung, in time for the Olympics, with 300km per hour trains cutting travel time between the two cities from six hours to two hours[30].

Road construction also accelerated ahead of the Games, with a 72km extension of the expressway between Seoul and Yangyang, Gangwon Province, and a 22km expressway built in 2017 near the capital that has helped reduce travel time from the international airport[31].

It is no coincidence that Korea's 2017 hotel room supply soared by 14.6%, outstripping the healthy overall Travel & Tourism capital investment growth of 8.7%. However, across the seven years to 2019, the average annual hotel growth rate was still an impressive 6.6%; faster than any other Asian country except Bangladesh.

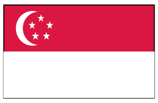
DESTINATION PLANNING AND SUSTAINABILITY

Countries with distinct holistic destination planning and management initiatives behind them are often the most likely to attract more global visitors and foreign investment. Well managed and planned destinations are also more likely to grow a loyal customer base and attract new visitors to the destination. As well as this, the best managed destinations can also attract new opportunities from investors who are eager to put their money into developing new and innovative Travel & Tourism infrastructure, including hotels and accommodation. Economic, social, and environmental elements must be taken into consideration when discussing destination planning and plans for tourism in the future.

National and city governments across the globe are responding to the climate emergency by setting bold commitments to move to a net zero economy over the coming decades. With some aiming for all new construction to be operationally net zero by 2030, investors and developers will have a key role to play in delivering these targets [32].

'Destinations with a clear strategy to reach net zero emissions by 2030 such as London and those which integrate socio-economic and environmental elements in their destination planning will encourage more investment.'

-Gilda Perez-Alvarado, Global CEO, JLL Hotels & Hospitality



Singapore

The Singapore Tourism Board (STB) has engaged in many forward thinking and pioneering tourism campaigns over the years. Exercising its position as one of the most well-rounded tourism boards, STB has worked to promote the development of Singapore as a tourist destination, advise the government on matters related to Travel & Tourism, maximise the contribution of the Travel & Tourism sector to the national economy, develop destination marketing campaigns and, importantly, to encourage investments into new tourism infrastructure, hotels, and accommodations.

The STB has taken huge steps in the climate emergency and is actively pursuing a sustainable and green future for its residents and visitors. STB developed a sustainability strategy and roadmap for the Travel & Tourism sector in line with the Singapore Green Plan 2030, with a strong focus on environmental sustainability and sustainable management[33]. Leading with this, STB and the Singapore Hotel Association set up a Hotel Sustainability Committee to work towards driving industry-wide adoption of sustainability practices, as well as encouraging further investment into these initiatives[34]. Hotels such as JW Marriott South Beach and Parkroyal Collection Pickering have included sustainability considerations in the design and subsequent construction of the hotel infrastructure. Others, such as Grand Hyatt Singapore, Fairmont Singapore, and Swissotel the Stamford, have minimised the environmental footprint of their hotel operations by ensuring efficient use of water and a reduction of waste and carbon emissions[35]. A 3.4% annual average growth rate has been recorded since 2012 to 2019, showcasing the great strides Singapore has made drawing in investment opportunities for hotels and accommodation in recent years.

Rwanda

Visit Rwanda has taken specific action to encourage further hotel investment into the country, using its website and targeted destination planning around sustainability. As one of the world's greenest countries, and at a time where travellers are more discerning about travelling responsibly, Rwanda has made sustained efforts to be known as a country that values sustainable tourism, as seen by its many sustainable hotels and eco-lodges. The Rwandan government has been fortifying its sustainability mission for years with the implementation of its Sustainable Development Policy. This included the banning of plastic bags, the conservation of biodiversity, the safeguarding of the critically endangered mountain gorillas, and the development of green and rural tourism[36]. Rwanda's biodiversity protection efforts are clear to see with a huge resurgence of the endangered mountain gorilla population in recent years[37]. Visit Rwanda has promoted and encouraged the intertwining of eco-tourism experiences with eco-lodges and accommodation, like in the Akagera National Park which is home to a pride of lions and the highest concentration of leopards in the country. Travellers stay in tented lodges where the use of single-use plastics is banned[38].

This dual-ended approach to destination and sustainability planning initiatives has paid dividends, with Rwanda experiencing a 7.5% average annual growth in room supply. In fact, growth in Travel & Tourism capital investment in Rwanda between 2012 and 2019 grew even faster, at an average of 9.4% pa. This is in part due to a 44% boost in room supply in 2016, the year that Radisson Blu Hotel opened its state-of-the-art Kigali Convention Centre[39]. Investors are confident about the future of destination planning and sustainability and want to create new hotels and accommodation in the country as Visit Rwanda has employed transparency with the success of its initiatives and future Travel & Tourism goals.

WORKFORCE

The aftermath of the COVID-19 pandemic left much of the global Travel & Tourism sector struggling to cope with the demands of the "new normal". During the pandemic, the use of technology has accelerated, for example using analytics to streamline internal operations and innovations to develop new product offerings. This in turn has led to a change in business models and a need for the Travel & Tourism workforce to be re-skilled to fill some of these new jobs and equip them with the necessary skills to thrive and excel in a sector eager to recover. A destination with a reputation for recruiting and developing highly skilled staff who have the motivation for a long career in hospitality will inspire confidence in potential hotel investors.

Portugal

Portugal has focussed on initiatives and strategies to help reskill the sector's workforce to increase tourism demand after the pandemic, and in turn, encourage much needed investments into hotels and infrastructure. Portugal's national tourism board Turismo de Portugal created the Tourism Training Talent (TTT) programme which committed itself to improving the quality of its tourism training services and strengthening its labour force to tackle the competitive nature of the Travel & Tourism sector.

In response, the Digital Academy was created. This network of 12 schools was established to teach students and previous Travel & Tourism workers invaluable hospitality skills and skills to allow them to adapt and thrive in a post-pandemic environment. It serves as an online training platform which provides all professionals in the sector with a wide range of training opportunities. Some of these revolve around digital, environmental, economic, and social sustainability aspects related to Travel & Tourism. Others deal with entrepreneurial tourism management, executive training and Travel & Tourism operations[40]. Its latest addition is a programme on health and hygiene, brought in during the COVID-19 pandemic, which allows professionals to learn guidelines and protocols to remain COVID-19 secure[41]. All training provided by the Digital Academy is certified by Turismo de Portugal and delivered by certified trainers. Turismo de Portugal schools train more than 3,000 students annually, preparing them for new jobs in the Travel & Tourism sector[42].

The Tourism Training Talent (TTT) programme has been acknowledged by UNWTO as an example of innovation and excellence for its dedication to the training of future generations of Travel & Tourism professionals[43]. This investment in training is paying off in the medium to long term, with hotel investors attracted by the prospect of a well-trained and reliable workforce. Overall Travel & Tourism investment is forecast to soar by an average 9.4% a year over the next ten years.

SERVICE CULTURE

Having a robust service culture is essential to the wellbeing and joy that Travel & Tourism journeys create. Strong service cultures revolve around a strong motivation to put customer experience at the forefront of operations and to ensure that value is created throughout that visit. There is strong evidence that a customer-centric approach boosts revenues, improve business viability, and attracts important investment into the region.

Philippines

When travellers are asked about the first thing they think of when discussing the Philippines, most will describe a warm-natured, and enormously hospitable spirit. Filipino hospitality is not only deeply embedded in the country's Travel & Tourism sector, but also into the Filipino culture and way of life. The Filipino brand of hospitality and service is at the forefront of its operations and this elevation of customer service is integral to maintaining current investment and enticing new investors.

Inspired by this hospitable nature and to look at enticing more tourism into the country, after the repercussions of the pandemic, the Department of Tourism (DOT) launched a trailblazing hybrid online learning course, dubbed the Leadership Excellence Series (LES)[44]. First kickstarted in March 2021, the LES focused on culinary tourism, heritage cuisine, and promoting tourism products from the DOT. The

latest set of sessions focussed on offering practical advice and expertise on crisis management, COVID-19 health and safety protocol implementation, as well as enhanced customer satisfaction in the wake of the pandemic's adverse effects on the economy. It has been hailed as a robust and well-rounded online learning forum for Travel & Tourism stakeholders to focus on and address how to rebuild the sector and the economy after COVID-19 while helping to reshape consumer confidence and redefine business strategies[45].

The Department of Tourism kickstarted the series to equip tourism workers and stakeholders with the new skills they need to enhance and create a positive tourism experience for travellers in a post-pandemic world. Initiatives like these and a strong focus on the traveller experience is encouraging investment in hotels and other accommodation in the region. In the Philippines, average annual growth in hotel investment rose by 5.1% from 2012 to 2019. Overall, Travel & Tourism investment was even stronger during this period, with an average growth of 7.7% pa.

TRAVEL FACILITATION

Travellers are more likely to visit, and re-visit, a destination if they know that their end-to-end journey will be simple, conveniently seamless, while safe and secure. Seamless traveller solutions often include the use of biometrics and provide the mechanism to increase security while enhancing the traveller experience across air and non-air touchpoints. Destinations that have prioritised ease of access for travellers are innovating the way we view travel and encouraging others to create frictionless processes. Hotel investors are looking to the innovative and unique when looking to finance new infrastructure initiatives.

Aruba

Aruba has taken an innovative and unique step towards a safer and more seamless traveller journey, which is likely to have contributed to the boost in hotel investment. Started in 2015 in Aruba Airport, Aruba Happy Flow is a 100% end-to-end, self-serviced passenger experience, based on traveller-centric and biometric technology. Passengers can use their facial image as their identification token throughout the journey and passports are only used at check-in, to enrol their biometric data. After check-in, travellers are free to move onto other parts of the airport and are identified by user-friendly Passenger Touch Points, supported by facial recognition cameras[46].

Since its implementation, hotel investments in the region have increased significantly; in 2018, for example, hotel supply rose by 2.3% from the year before. In the same year, Hilton awarded the Aruba Caribbean Resort & Casino as the global hospitality group's Hotel of the Year and Most Improved Profitability Awards, triumphing over all other Hilton hotels in the Americas[47].

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The Voice of Travel & Tourism.

WTTC promotes sustainable growth for the Travel & Tourism sector, working with governments and international institutions to create jobs, to drive exports and to generate prosperity. Council Members are the Chairs, Presidents and Chief Executives of the world's leading private sector Travel & Tourism businesses.

For further information, please visit: WTTC.org

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